

## Message Text

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72

ACTION ARA-20

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 L-03 H-03

SCEM-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 PA-03 PRS-01 USIA-15 DRC-01

/160 W

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R 011940Z OCT 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1360

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E.O. 11672: N/A

TAGS: ENRG VE

SUBJECT: PETROLEUM TAX REFERENCE VALUES FOR OCTOBER

REF: CARACAS 8381

1. AVERAGE TAX REFERENCE VALUE (INCLUDING FREIGHT PREMIUM) FOR VENEZUELAN PETROLEUM DURING OCTOBER WILL BE \$4.89 RATHER THAN \$4.75 AS EARLIER REPORTED (REFTEL). MINISTRY SOURCES SAY MINISTER WAS MISQUOTED BY PRESS IN EARLIER REPORT AND THAT FINAL DECISION HAD NOT BEEN MADE AT THAT TIME.

2. LARGEST COMPONENT OF INCREASE WAS, AS REPORTED, 29 CENT INCREASE IN FREIGHT PREMIUM TO 69 CENTS. THIS RATE, WHICH WILL BE APPLICABLE DURING FOURTH QUARTER OF YEAR, DERIVES FROM AUTOMATIC FORMULA BASED ON PREVAILING TANKER CHARTER RATES AND IS DESIGNED TO PERMIT VENEZUELA TO BENEFIT FROM ITS RELATIVE PROXIMITY TO NORTH AMERICAN MARKET.

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3. ACTUAL INCREASE IN TRVS FOR OCTOBER (NOT INCLUDING

FREIGHT PREMIUMS) AVERAGED 14 CENTS FOR CRUDE, 20 CENTS FOR PRODUCTS, AND 16 CENTS OVERALL (CRUDE AND PRODUCTS). HIGHER INCREASES FOR PRODUCTS, MINISTRY OF MINES AND HYDROCARBONS ANNOUNCED, IS DESIGNED "TO IMPROVE REFINING STRUCTURE IN COUNTRY TO GET GREATEST BENEFIT FROM IT." IN ORDER TO GET GREATER BENEFIT FROM HIGHER SULPHUR RESIDUAL OILS, WHICH NOW ENJOYING STRONGER DEMAND, GOVERNMENT ESTABLISHED FOR OCTOBER A PREMIUM OF BS. 7.3474 PER CUBIC METER (ABOUT 26.5 CENTS PER BARREL) FOR RESIDUAL OIL WITH SULPHUR CONTENT BETWEEN 1.51 PERCENT AND 1.90 PERCENT.

4. TOTAL TRV INCLUDING FREIGHT PREMIUM FOR OCTOBER WILL AVERAGE \$4.84 FOR CRUDE OIL AND \$4.99 FOR PRODUCTS, WHICH MAKES OVERALL AVERAGE OF \$4.89. AFFECT ON VENEZUELAN GOVERNMENT REVENUE FOR 1973 WILL BE INCREASE OF 200 MILLION BOLIVARS, OF WHICH 120 MILLION WILL BE PAID THIS YEAR AND REMAINDER NEXT YEAR, ACCORDING TO FINANCE MINISTER OBERTO. FISHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 OCT 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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